

2005 Research Credit**3523**

Attach to your California tax return.

Social security or California corporation no.

0010

Federal employer identification number (FEIN)

Name(s) as shown on return

Secretary of State file number

Part I Credit Computation. Read the instructions before completing this form.**Section A Regular Credit.** Skip this section and go to Section B, Alternative Incremental Credit, if you are electing the alternative incremental credit.

Line 1 through line 4 are to be completed only by corporations (other than S corporations, personal holding companies, and service organizations). Individuals, estates, trusts, and partnerships, begin on line 5.

1 Basic research payments paid or incurred during the taxable year. See instructions	1	0020	
2 Base period amount. See instructions	2	0030	
3 Subtract line 2 from line 1. If less than zero, enter -0-	3	0040	
4 Multiply line 3 by 24% (.24)	4	0050	
Qualified research expenses paid or incurred.			
5 Wages for qualified services. See instructions	5	0060	
6 Cost of supplies. See instructions	6	0070	
7 Rental or lease costs of computers. See instructions	7	0080	
8 Enter the applicable percentage of contract research expenses. See instructions	8	0090	
9 Total qualified research expenses. Add line 5 through line 8	9	0100	
10 Enter fixed-base percentage, but not more than 16% (.16). See instructions	10	0110	%
11 Enter average annual gross receipts. See instructions	11	0120	
12 Base amount. Multiply line 11 by the percentage on line 10	12	0130	
13 Subtract line 12 from line 9. If zero or less, enter -0-	13	0140	
14 Multiply line 9 by 50% (.50). See instructions	14	0150	
15 Enter the smaller of line 13 or line 14	15	0160	
16 Multiply line 15 by 15% (.15)	16	0170	
17 a Regular credit. Add line 4 and line 16. If you do not elect the reduced credit under IRC Section 280C(c), enter the result here, and see instructions for the schedule that must be attached	17a	0180	
b Reduced regular credit under IRC Section 280C(c). Multiply line 17a by:		@0185	
• 90.7% (.907) for individuals and estates or trusts;			
• 91.16% (.9116) for corporations; or			
• 98.5% (.985) for S corporations.			
Enter the reduced credit amount and write "Section 280C" on the dotted line to the left of the entry space	0200	17b	0190

Section B Alternative Incremental Credit. Skip this section if you completed Section A, Regular Credit.

Line 18 through line 21 are to be completed only by corporations (other than S corporations, personal holding companies, and service organizations).
Individuals, estates, trusts, and partnerships, begin on line 22.

18	Basic research payments paid or incurred during the taxable year. See instructions	18	
19	Base period amount. See instructions	19	
20	Subtract line 19 from line 18. If less than zero, enter -0-	20	
21	Multiply line 20 by 24% (.24)	21	
Qualified research expenses paid or incurred.			
22	Wages for qualified services. See instructions	22	0250
23	Cost of supplies. See instructions	23	0260
24	Rental or lease costs of computers. See instructions	24	0270
25	Enter the applicable percentage of contract research expenses. See instructions	25	0280
26	Total qualified research expenses. Add line 22 through line 25	26	0290
27	Enter average annual gross receipts. See instructions	27	0300
28	Multiply line 27 by 1% (.01)	28	0310
29	Subtract line 28 from line 26	29	0320
30	Multiply line 27 by 1.5% (.015)	30	0330
31	Subtract line 30 from line 26. If zero or less, enter -0-	31	0340
32	Subtract line 31 from line 29. If zero or less, enter -0-	32	0350
33	Multiply line 27 by 2% (.02)	33	0360
34	Subtract line 33 from line 26. If zero or less, enter -0-	34	0370
35	Subtract line 34 from line 31. If zero or less, enter -0-	35	0380
36	Multiply line 32 by 1.49% (.0149)	36	0390
37	Multiply line 35 by 1.98% (.0198)	37	0400
38	Multiply line 34 by 2.48% (.0248)	38	0410
39	a Alternative incremental credit. Add line 21, line 36, line 37, and line 38. If you do not elect the reduced credit under IRC Section 280C(c), enter the result here, and see instructions for the schedule that must be attached	39a	0420
	b Reduced alternative incremental credit under IRC Section 280C(c). Multiply line 39a by:		@0425
	<ul style="list-style-type: none">• 90.7% (.907) for individuals and estates or trusts;• 91.16% (.9116) for corporations; or• 98.5% (.985) for S corporations.		
	Enter the reduced credit amount and write "Section 280C" on the dotted line to the left of the entry space	0440 39b	0430
40	Pass-through research credit(s) from S corporations, estates, trusts, and partnerships. See instructions	40	0450
41	Current year research credit. If you did not elect the reduced credit under IRC Section 280C(c), add line 17a or line 39a to line 40 and enter the result here. If you elected the reduced credit under IRC Section 280C(c), add line 17b or line 39b to line 40 and enter the result here	41	0460
42	Enter the amount of credit on line 41 that is from passive activities. If none of the amount on line 41 is from passive activities, enter -0-	42	0470
43	Subtract line 42 from line 41	43	0480
44	Enter the allowable credit from passive activities. See instructions	44	0490
45	Non-passive activity credit carryover from prior year. See instructions	45	0500
46	Total available research credit. Add line 43 through line 45	46	0510
Caution: Your credit may be limited. See instructions for line 46.			

Part II Carryover Computation. Do not complete this part if you must file Schedule P (100, 100W, 540, 540NR, or 541).

47	Amount of research credit claimed on current year tax return. See line 46 instructions	47	0520
48	Credit carryover available to future years. Subtract line 47 from line 46	48	0530